

REMARKS

Claims 1-20, 22, 24-33, 35-50, and 52-56 are pending.

The Examiner rejected claims 1-20, 22, 24-33, 35-50, and 52-56 under 35 USC 102(e) as being unpatentable over Nemzow. This rejection is respectfully traversed.

Claim 1 recites, in part:

“if the date of the received financial transaction corresponds to a time period of one of the historical exchange rates, automatically selecting, by the computer system, the historical exchange rate;

if the date of the received financial transaction does not correspond to a time period of one of the historical exchange rates, automatically selecting, by the computer system, a historical exchange rate having a most recent time period among available historical exchange rates having time periods prior to the date of the received financial transaction.”

According to the claimed method, the computer system selects a historical exchange rate if the date of the transaction corresponds to a time period of a historical exchange. If, on the other hand, the date of the transaction does not correspond to a time period of a historical exchange rate, the computer system selects a historical exchange rate having a time period prior to the date of the transaction. More specifically, it selects the rate that has the most recent time period among rates whose dates pre-date the transaction. In this manner, the claimed invention is able to handle situations in which no exchange rate corresponds to the date of the transaction.

Nemzow fails to teach such a step. Nemzow merely discloses a currency translation system that dynamically translates a first currency value into a target currency value. There is no hint or suggestion anywhere in Nemzow of any tech-

nique for handling the two conditions addressed by the method of claim 1. Specifically, there is no discussion in Nemzow of selecting a historical exchange rate having a most recent time period among available historical exchange rates having time periods prior to the date of the received financial transaction. In fact, Nemzow does not even address the situation in which no historical exchange rate covers the time period of a transaction.

The Examiner's citations to specific portions of Nemzow do not relate in any way to the above-quoted language of claim 1. Specifically, in paragraph 2 of the Office Action, the Examiner cited paragraph [0051] of Nemzow as allegedly anticipating the following claim language: "responsive to *[sic]* the date of the received financial transaction corresponding *[sic]* to a time period of one of the historical exchange rates." However, paragraph [0051] of Nemzow merely discusses customizing conversion rules in response to user inputs and transaction rules, including matching user inputs against conversion rules, currency conversion rate tables, or a currency conversion rate database. Methods for maintaining the database are discussed. Customization of conversion rules are also discussed, including reconciling currency price differences, handling triangulation discrepancies, computing a balance sheet, or systematic work-in-progress contra-asset category for rounding errors. None of these concepts are in any way related to a determination as to whether the date of a financial transaction corresponds to a time period of a historical exchange rate.

In addition, in paragraph 2 of the Office Action, the Examiner cited paragraph [0052] of Nemzow as allegedly anticipating the following claim language: “automatically selecting, by the computer system, the historical exchange rate.” However, paragraph [0052] merely discusses using customized conversion rules to translate the original currency to the target currency. Applicants respectfully submit that selecting an exchange rate is an entirely different step than translating one currency to another. Selecting an exchange rate involves choosing which exchange rate to use, such as from a set of exchange rates. Paragraph [0052] does not relate in any way to such an operation or step, and does not anticipate the language of the claimed step.

Furthermore, in paragraph 2 of the Office Action, the Examiner cited drawing element 360, presumably from Fig. 4 of Nemzow, as allegedly anticipating the following claim language: “responsive to [sic] the date of the received financial transaction not corresponding [sic] ...” However, element 360 merely reads, “Apply negative sign or parentheses for negative number presentation,” thus describing a standard way to denote negative numbers which does not have any relation to determining that a transaction date does not correspond to a time period of a historical exchange rate.

Furthermore, in paragraph 2 of the Office Action, the Examiner cited steps 100-150 of Fig. 2 of Nemzow as allegedly anticipating the following claim language: “responsive to [sic] the date of the received financial transaction not corresponding

[sic] to a time period of one of the historical exchange rates, automatically selecting, by the computer system, a historical exchange rate having a most recent time period among available historical exchange rates having time periods prior to the date of the received financial transaction.” However, none of the steps of Nemzow’s Fig. 2 disclose any technique of selecting an exchange rate in this manner. Step 100 merely describes obtaining input data. Step 110 describes specifying conversion rules. Step 120 describes matching inputs and rules. Step 130 describes performing translation of currency values. Step 140 describes resolving issues such as currency spreads. Step 150 describes processing currency information to display it in a user-acceptable format. There is no hint or suggestion, in any of these steps, of selecting a historical exchange rate having a most recent time period among available historical exchange rates having time periods prior to the date of the received financial transaction, as claimed herein.

(Applicants respectfully note that, throughout paragraph 2 of the Office Action, the Examiner has quoted a previous version of claim 1, rather than the current version as amended in Amendment D filed on October 8, 2003).

In paragraph 3 of the Office Action, the Examiner stated that Nemzow “inherently discloses” the limitation of “if the date of the [sic] transaction corresponds to a time period of one of the historical exchange rates, automatically selecting the historical exchange rate, and if the date of the transaction does not correspond to a

time period of one of the historical rates, automatically selecting a historical exchange rate having time periods prior to the date of the transaction.”

In support of this statement, the Examiner cites a series of excerpts from the disclosure of Nemzow (paragraphs [0032]-[0033], [0043], [0046], and [0049]-[0053]). However, none of the cited portions of Nemzow make any mention of the specific technique recited in claim 1, namely: “if the date of the received financial transaction does not correspond to a time period of one of the historical exchange rates, automatically selecting, by the computer system, a historical exchange rate having a most recent time period among available historical exchange rates having time periods prior to the date of the received financial transaction.” (Emphasis added).

Paragraph [0032] of Nemzow merely discusses general concepts related to a currency translation system. A first currency value is translated into a target currency value. The system can be implemented as a standalone system or it can be embedded in a larger application. Inputs include starting currency, target currency, and transaction rules. The system maintains a database, including currency rates, currency histories, conversion rules, and representation data. The system uses optimization and backtracking techniques to deal with partial rate information and to find optimal valuations involving triangulation of currency translations. Additional details regarding presentation of results (either singly or as a matrix, and using correct formatting) are also described. The general description of conversion rules, optimization, and backtracking suggest that Nemzow has a methodology for dealing

with partial rate information; however, nowhere is there any mention of the particular technique claimed herein, namely selecting “a historical exchange rate having a most recent time period among available historical exchange rates having time periods prior to the date of the received financial transaction.”

Paragraph [0033] merely describes translating from a “single original currency” to “plural objective currencies”, including one-to-one, one-to-many, many-to-one, and many-to-many translations. This concept is entirely unrelated to the above-quoted claim language.

Paragraph [0043] merely describes the mechanics of Nemzow’s currency translation techniques. Various inputs are provided, including basis currency and transaction information. These inputs, and stored conversion rules, are used to translate from the original currency to a target currency. The result is then output. There is no mention of dealing with the situation in which the date of the received financial transaction does not correspond to a time period of one of the historical exchange rates, as claimed herein. Furthermore, there is no discussion of using a historical exchange rate having a most recent time period among available historical exchange rates having time periods prior to the date of the received financial transaction.

Paragraph [0046] merely describes a data structure for tracking currency values over time. Nemzow combines a currency codes data structure and an FX valuation data structure, to provide currency identification information, time values, and

an associated basis. Specifics, including the use of the Euro as a base currency, or some other basis, are also described. Again, there is no mention of dealing with the situation in which the date of the received financial transaction does not correspond to a time period of one of the historical exchange rates, as claimed herein. Furthermore, there is no discussion of using a historical exchange rate having a most recent time period among available historical exchange rates having time periods prior to the date of the received financial transaction.

Paragraphs [0049] to [0053] merely provide further details of Nemzow's translation process. These paragraphs describe such concepts as: the use of historical or future value of money; specification and use of conversion rules; customization of conversion rules; maintenance of a database of conversion rates; reconciliation of currency price differences; handling triangulation discrepancies; computing a balance sheet; applying customized conversion rules to perform the translation; and resolving translation issues (these issues include currency spreads, historical, delayed, future and/or interest laden spreads, spot quotes, swaps, future contracts, and remittances). The specific optimization techniques described by Nemzow includes determining a most efficient path from one point to another, and maximizing value of the base currency. Nowhere is there any discussion of selecting or using a historical exchange rate having a most recent time period among available historical exchange rates having time periods prior to the date of the received financial transaction, as claimed herein.

Thus, nowhere in the cited portion of Nemzow, nor indeed in any other part of Nemzow, is there any teaching that anticipates the specific limitations recited in claim 1 of the present application.

The Examiner further states that, "according to Nemzow and FASB-52, it is common practice in accounting to facilitate the foreign currency exchange to select an exchange rate if the date of the transaction corresponds to a time period of one of the historical exchange rates, and automatically selecting the historical exchange rate if the date of the transaction does not correspond to a time period of one of the historical rates, then selecting a historical exchange rate having time periods prior to the date of the transaction based on the selected transaction rules."

Applicants respectfully request that the Examiner more clearly state the nature of this rejection. No reference bearing the title "FASB-52" was cited in this or any previous Office Action. The Examiner has clarified in a telephone conversation that he is referring to Statement of Financial Accounting Standards No. 52, published December 1981 by the Financial Accounting Standards Board.

Furthermore, the Examiner appears to be attempting to reject the claims by combining Nemzow with FASB-52. If so, Applicants respectfully submit that the basis for the rejection is improper. A 102(e) rejection must be supported by a citation to (1) an application for patent, published under 35 USC 122(b), by another filed in the United States before the invention by the applicant for patent, or (2) a patent granted on an application for patent by another filed in the United States before the

invention by the applicant for patent. 35 USC 102(e). A rejection combining two references and asserting that the proposed combination is nonobvious or otherwise unpatentable is not proper under 35 USC 102(e). As stated in the MPEP, normally only one reference should be used in making a rejection under 35 USC 102. The MPEP provides for three situations where a 102 rejection may include multiple references: a) when the extra references are cited to prove the primary reference contains an enabled disclosure; b) when the extra references are cited to explain the meaning of a term used in the primary reference; or c) when the extra references show that a characteristic not disclosed in the primary reference is inherent. MPEP 2131.01. Here, there is no indication that any of these three situations applies. Accordingly, the 102 rejection attempting to combine Nemzow with FASB-52 is respectfully submitted to be an improper rejection.

Furthermore, even if the Examiner were to reformulate this rejection so that it asserted that the combination of Nemzow and FASB-52 rendered the claimed invention unpatentable under 35 USC 103, or that the citation of multiple references is proper under one of the exceptions set forth in MPEP 2131.01, Applicants respectfully submit that such a rejection would fail to recognize certain tangible, nonobvious differences between the claimed invention and the proposed combination. Specifically, neither reference, taken alone or in combination with the other, teaches or suggest the claimed step of, "if the date of the received financial transaction does not correspond to a time period of one of the historical exchange rates, automatically se-

lecting, by the computer system, a historical exchange rate having a most recent time period among available historical exchange rates having time periods prior to the date of the received financial transaction.”

Nemzow, as discussed above, fails to teach such a step.

FASB-52, at page 8, paragraph 12, states that “all elements of financial statements shall be translated using a current exchange rate.” FASB-52, at page 11, paragraph 26, states that “if exchangeability between two currencies is temporarily lacking at the transaction date or balance sheet date, the first subsequent rate at which exchanges could be made shall be used for purposes of this Statement” (emphasis added). Thus, not only does FASB-52 fail to teach a technique that selects a historical exchange rate having a most recent time period among available historical exchange rates having time periods prior to the date of the received financial transaction, as claimed herein, but FASB-52 actually describes using a subsequent rate when exchangeability at a transaction date is temporarily lacking. This is effectively the opposite of the technique recited in the claims, and in fact teaches away for the specific techniques recited herein.

Applicants can find no other mention in FASB-52 of a technique that anticipates the steps claimed herein. Since FASB-52 is a 54-page document, should the Examiner elect to maintain his rejection of the claims or to reformulate it as a 103 rejection, it is respectfully requested that he point out with some degree of particular-

ity which portion or section of FASB-52 is being asserted as anticipating or rendering unpatentable the claimed invention.

Claims 10, 15, 19, 22, 24, 26, 29, 32, 35, 44, 49, 53, and 56 recite similar language to the language of claim 1 quoted above. Accordingly, these claims are patentable over the cited art for the reasons given above with respect to claim 1.

The remaining pending claims depend from the above independent claims, and therefore incorporate the limitations of the independent claims. Accordingly, the arguments presented above with respect to claim 1 apply to the dependent claims as well.

The Office Action is unclear as to whether it is non-final or final. The Office Action Summary indicates that it is non-final, while page 6 of the Detailed Action indicates that it is final. In a voicemail message on August 31, 2004, Acting Group Director John Weiss confirmed that this is a non-final Office Action. Accordingly, Applicants submit this response with the understanding that the Action being responded to is a nonfinal one.

On the basis of the above remarks, consideration of this application and the early allowance of all claims herein are requested. Should the Examiner feel that outstanding issues remain and that a telephone interview would be productive in

advancing this patent application, the Examiner is invited to telephone Applicants' representative at the number shown below.

Favorable action is solicited.

Respectfully submitted,
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